

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Expansion of OJCS Facility

1. The attached memorandum lays out for you the various financing alternatives for the renovation of additional space for OJCS. Based on my current estimate that little or no money will be available in FY 1975, but that--and this obviously depends on Congress--things are likely to be somewhat better in FY 1976, the following are the necessary outlays by fiscal year:

	<u>In Thousands</u>		
	<u>1975</u>	<u>1976</u>	<u>1977</u>
Reprogramming	\$ 0	\$1,290	\$ 0
From OJCS Budget	<u>0</u>	<u>705</u>	<u>405</u>
Total	\$ 0	\$1,995	\$ 405

2. I should remind you, however, this implies approval if not of the whole OJCS five-year plan, at least for the acquisition of two or more 370/168's since the current floor space, water chillers and electrical power suffice for the addition of just one such computer.

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3. In order to be clear in my mind just what we have decided, I would appreciate your "yes" or "no" on the following propositions:

a. We seek funds (1976 operating plan and 1977 budget) for the outlays proposed in paragraph 1 for space renovation for computer facilities.

b. Buy the 360/195 now in OJCS on a four-year payment plan at approximately \$1.1 million per year. (Recommended)

c. Allow OJCS to apply the savings from the purchase of the 195, estimated at about \$1 million per year, in 1976 to its own budget. (Recommended)

d. Approve the OJCS five-year plan as it now stands. This includes the acquisition over these five years of about \$8.7 million in lease-equivalent dollars* of computer mainframes and peripherals. This amounts to an OJCS equipment budget increase over these same years from \$8.7 to \$14.4 million. (Despite my aversion to this kind of growth rate, I believe OJCS needs the impetus of this planning goal. Actual growth will have to be constrained by the budget process as does everything else.)

e. That we seriously study and put into effect over the next two years some scheme that puts a much heavier responsibility on the user to examine

*Lease-equivalent dollars convert purchases to the rough equivalent in lease costs. I use three years as the amortization point. Therefore, lease-equivalent dollars equal purchase dollars divided by three.

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close to his use of ADP resources. (I recommend this be a joint report from OJCS and the Comptroller and be on your desk by 30 October 1975. I recognize further that there will most likely be opposing views. Nevertheless, I think the issues must be faced head on, using the Management Committee as a forum for user views, leaving you with the final decision.)



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JOHN D. IAMS
Comptroller

Attachment:
As Stated

Distribution:
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1 - ER (w/att)
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38 APR 1975

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Utilities to Support Expanded ADP Capacity

REFERENCES: (a) Compt. memo to DCI, dtd., 19 March 75
(Compt. 75-0237), Subj: Request for
Additional Funds to Upgrade the Agency's
Computer Systems and Supporting Utilities

(b) DDA memo to DCI, dtd., 14 Feb 75, (DDA
75-0684), Same subj. as Reference (a)

1. In earlier discussions of funds required to accomplish a material upgrading of the Agency's central computer capability within the next fifteen months, reference has been made to the need for funds for site preparation and for utilities services, especially electric power, to support the new ADP equipment. Following our discussion with you on Monday, 14 April, we have studied these requirements anew, and, in discussions with representatives from OJCS and Logistics, have determined that it would be possible to spread the total cost of \$2,400,000 over a three-year period starting with this current year, provided funds can be found. We could defer costs totalling \$405,000 until FY 1977, but \$1,995,000 would have to be covered in FY 1975 and 1976 if we were to meet the OJCS milestones.

2. The FY 1976 requirement would range from \$1,061,000 to \$1,995,000 depending on how much has been covered in FY 1975. These 1976 costs would be offset, however, by \$705,000 from OJCS, made available by the decision to buy the IBM 360/195 on credit over five years. The net requirement for FY 1975 and 1976, therefore, totals \$1,290,000. Of this amount, up to \$934,000 could be obligated in FY 1975 if the funds were available.

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3. The attached spread sheet describes the various sub-elements and allocates their cost to the fiscal years in which the expenditure could be made. Totals are given in terms of the minimum and maximum amounts spendable in each fiscal year.

4. It is one thing to identify the several options available for allocating resources to a project and quite another matter to determine where the resources are to come from. I have no confidence that we can expect to have any significant surplus for reprogramming in FY 1975. The uncertainties we face in Southeast Asia make projections of savings in the Operations Directorate hazardous, and our outstanding commitments

are likely to absorb anything we do save. We may find some funds in late June, however, and it would be prudent to have procurement plans ready for such a contingency, recognizing that we may also have other priority projects competing for any available money.

5. As for FY 1976, I strongly recommend that any decision to reprogram funds for this purpose be deferred until our July program review, when the relative priority of this and other worthwhile projects can be weighed.

Attachment:
As stated

JOHN D. IAMS
Comptroller

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1 - ER

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FY 1975, 1976, 1977

<u>Item</u>	<u>Element</u>	<u>Funding Possible In</u>		
		<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>
2500kw Emergency Generator (\$780,000)	A&E Purchase Generator Prepare Site Electrical Equipment Wiring Delivery Installation Contingencies	\$ 25,000* or 200,000 or	\$ 25,000* 200,000 50,000 175,000 100,000	\$ 50,000 50,000 130,000
60Hz Uninterrupted Power Source (\$632,000)	Modules Batteries Installation Contingencies	328,000* or 151,000* or	328,000 151,000 100,000 53,000	
400Hz Uninterrupted Power Source (\$308,000)	Modules Batteries Installation Contingencies	175,000* or 55,000* or	175,000 55,000 50,000 28,000	
Water Chiller Reconfiguration (\$200,000)	A&E Equipment & Installation		25,000	175,000
Space Renovation (\$480,000)	Renovation of space for relocated staff Renovation of vacated 3000 square feet Electrical Power Redistribution		90,000 204,000 186,000	
Totals				
Minimums		0	1,061,000**	405,000
Maximums		934,000**	1,995,000	405,000

* Marks the year in which funding is preferred.

** If the maximum were spent in FY 1975 then only the minimum would be needed in FY 1976.

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Funds Available (OJCS) (FY 1976)

705,000

Net Required (over 3 years) 1,695,000
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Additional Funds Required
Distributed by FY Preferred

1975	\$734,000
1976	556,000
1977	<u>405,000</u>

TOTAL

\$1,695,000

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